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SUBJECT: SECRETARY RICE'S VISIT TO THE MIDDLE EAST; TRI-BORDER;
RUSSIAN-VENEZUELAN TIES; ARGENTINE LEGISLATION ON TERRORIST
FINANCING; PANAMAX ANTITERRORIST MILITARY EXERCISES; ARGENTINA AND
BRAZIL'S OFFENSIVE AGAINST THE IMF; CUBA; 07/26/06

1. SUMMARY STATEMENT

Local papers lead with US Secretary of State Condoleezza Rice's trip to the Middle East; the US proposal to deepen its monitoring of the Tri-Border; the US urging Russia not to sell military equipment to Venezuela; the need for an update in Argentine legislation on terrorist financing; the Panamax antiterrorist military exercises; Argentina and Brazil's offensive against the IMF; and Argentine President Kirchner's dealings in favor of Cuban dissident Hilda Molina.

2. OPINION PIECES AND KEY STORIES

- "The US proposes an ambitious pacification plan"

Daily-of-record "La Nacion" reports (07/26) "US Secretary of State Condoleezza Rice proposed an ambitious plan that could help the Lebanese government stabilize the situation in South Lebanon, where Hezbollah has its bastion.

"The new plan was received with skepticism by the Lebanese government because, among other reasons, it does not imply a review of US policy, which is against an immediate cease fire in the Middle East...

"On the contrary, it implies support for Israel's goal of entering Lebanon in order to put an end to the threat posed by Hezbollah's missiles... This could take weeks and could be, according to Washington, a previous step for a ceasefire statement."

- "Israel will not stop its offensive and prepares a 'security strip'"

Marcelo Cantelmi, international editor of leading "Clarín," writes (07/26) "US Secretary of State Condoleezza Rice's short visit to the region added some uncertainty now that clashes continue on the border and bombings continue in Lebanon.

"While Israel was toughening its discourse in order to convey that it will not stop its offensive, the USG official avoided talking about deadlines for a cease fire while she was in Jerusalem.

"... In a deliberately ambiguous message, Rice said that 'a ceasefire is badly needed but it cannot be achieved at any price.'"

- "Rice asks for a new Middle East"

Conservative "La Prensa" reports (07/26) "After having held separate meetings with Israeli PM Ehud Olmert and Palestinian President

Mahmoud Abas, US Secretary of State Condoleezza Rice asserted that the time has come for a 'new Middle East without violence,' which leaves Hezbollah and Hamas aside...

"In the framework of a trip aimed at putting an end to the war escalation in the region, the US Secretary of State pointed out 'It is time to tell those who do not want a different Middle East, that we will prevail, not them.'

"In her meeting with the PM, Secretary Rice reiterated that her country is against an immediate cease fire and promotes, instead, a 'broader and lasting' peace accord."

- "Complaints over a US plan to deepen its monitoring of the Tri-Border"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," writes (07/26) "The US Senate is analyzing a draft resolution that is aimed at promoting an antiterrorist 'task force' at the OAS, which could be deployed in the entire hemisphere but particularly focused on the Tri-Border...

"The draft resolution has been passed by the US Lower House, and senators could now review its sections, which have formally been objected to by the Brazilian Foreign Ministry and by Argentine diplomats during confidential meetings.

"However, the initiative has already made a first move. The head of the decisive Senate Foreign Relations Committee, Richard Lugar, received the draft resolution, and notified Brazilian Ambassador Roberto Abdenur that he understood his objections... but that (Abdenur) also had to understand the US position in the aftermath of the September 11 attacks.

"... The US Senate has not set a date yet to deal with the draft resolution and two sources told 'La Nacion' that it could well be

filed in the Senate's offices because a seemingly dominant sector believes it is redundant based on the existence of the OAS' Inter American Committee against Terrorism."

- "The US urges Russia not to sell weapons to Venezuela"

Daily-of-record "La Nacion" reports (07/26) "The USG urged the Russian government to refrain from selling military airplanes and helicopters to Venezuela and it submitted a formal protest against Russia for its military cooperation with Caracas. The USG believes this could affect the balance of power in Latin America.

"However, Venezuelan President Hugo Chavez expects to come to terms on the sale during his three-day visit to Russia. He plans to sign a series of agreements for the purchase of weapons, including one for one billion dollars for the purchase of fighting airplanes and 30 helicopters."

- "An update in (Argentine) legislation against terrorist financing"

Business-financial "El Cronista" carries an opinion piece by Deputy Jorge Arguello, who writes (07/26) "The IMF believes that the yield of money laundering accounts for 3-5% of the GDP (600 billion dollars) and that it provides enough energy to allow transnational criminal companies to perform and expand their operations in detriment to world security.

"... In this way, terrorism, organized crime and illegal finances are the new forms of a security problem that should be combated. Assets legitimization is crucial for funding terrorist organizations.

"... We hope to have the necessary consensus to pass a more ambitious future law on the issue that implies the commitment of all political sectors in the fight against this scourge, which makes our economy vulnerable and undermines our institutions and values."

- "Decree hinders anti-terrorism exercises"

Edgardo Aguilera, columnist of business-financial "Ambito Financiero," writes (07/26) "The implementation of the Defense Act that Nestor Kirchner resonantly announced... could well put an end to some pending multilateral military exercises. Those are the Navy exercises called Panamax, which were approved by the Argentine Congress in September 2005. According to the new defense policy, those exercises are not part of the Army's duties."

"Panamax 2006 multinational exercises, to be carried out August 21-September 5 in the Pacific and the Caribbean and the Panama Canal, are carried out to prevent eventual terrorist attacks and multiple threats that are posed to the inter-ocean way and its resources. They are intended to ensure freedom of navigation and preserve the maritime via of communication."

13. EDITORIALS

- "Offensive against the IMF"

Conservative "La Prensa" editorializes (07/26) The bilateral agreement reached in the recent (Mercosur) summit, which was held in Cordoba, has started to become action. Argentina and Brazil began work on a new commercial system in local currencies to replace the dollar in exchange plans. Basically, they are trying to trigger a change in the regime that has been used up to now...

"... Argentina and Brazil are determined to reach one common position in order to confront IMF policies... They want to put an end to the pressure that the IMF has wielded during the last five years. Today, after having paid off their debts, they seek independence..."

"Both Brazil and Argentina are promoting contingent loans not calling for monitoring or for a letter of intention... Obviously enough, this firm political change will raise concern about the IMF's traditional programs, which unleashed financial havoc in the two countries."

- "Request for a Cuban dissident"

An editorial in leading "Clarín" reads (07/26) "In a praise-worthy decision, the Argentine Government took the Latin American summit, which was held last week in Cordoba, to send a letter to Cuban President Fidel Castro asking him to allow the visit of dissident physician Hilda Molina to the country to visit her Argentine

relatives.

"... Cuba has sought and obtained a particular relationship with Mercosur from which it expects to obtain some economic and strategic benefits. One of the basic clauses of the bloc is that only democracies can belong to it. While Cuba is not expected to enter Mercosur, we hope that its member countries will wield influence to improve the situation of opponents in Cuba and promote respect for political rights."

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